Federal Regulatory Affairs
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November 9, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

Re: *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *Developing a Unified Intercarrier Compensation Regime*, CC Docket No. 01-92; *Connect America Fund*, WC Docket No. 10-90; *High Cost Universal Service Support*, WC Docket No. 05-337; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45

Dear Ms. Dortch:

On November 8, 2012, Commissioner Ryan Palmer of the West Virginia Public Service Commission, and Billy Jack Gregg and the undersigned representing Frontier Communications, spoke on the phone with Christine Kurth, Policy Director and Wireline Counsel for Commissioner McDowell. In this meeting the parties discussed the unique negative effects that the rate floor and rate comparability benchmark established in the FCC's *USF/ICC Transformation Order*[1] and modified by the Commission's *Third Order on Reconsideration*,[2] will have upon West Virginia Universal Service funding. The discussion in this meeting was entirely consistent with the comments filed by Frontier,[3] the West Virginia Public Service Commission,[4] and the Consumer Advocate Division of West Virginia[5] in this proceeding.

Frontier offers West Virginia customers a variety of calling plans with varying measured service options—ranging from all measured service to a local unlimited calling plan—leaving the customer to choose the plan that best fits their individual needs. Each plan contains its own unique pricing structure, and the average monthly revenue per line in West Virginia is approximately $25, well above the $14 rate floor for 2013 and well above the national average urban rate. Unfortunately, due to the rate floor calculation methodology described in the *Third Order on Reconsideration*, each individual plan would have to be measured against the rate floor, instead of accounting for the average revenue per line produced by all calling plans. This

[1] *In re:* Connect America Fund, WC Dkt. No. 10-90 *et al.*, 26 FCC Rcd. FCC 17663, FCC 11-161 (rel. Nov. 18, 2011).
[2] *In re:* Connect America Fund, WC Dkt. No. 10-90 *et al.*, 27 FCC Rcd. FCC 5662, FCC 12-52 at ¶ 22 (rel. May 14, 2012).
[3] Comments of Frontier Communications, WC Dkt. No. 10-90 (filed Sep. 28, 2012).
[4] Motion to File Comments and Comments of the West Virginia Public Service Commission, WC Dkt. No. 10-90 (filed Oct. 25, 2012).
[5] Comments of Consumer Advocate Division of West Virginia, WC Dkt. No. 10-90 (filed Oct. 10, 2012).

methodology leaves Frontier and the West Virginia PSC the choice of either raising the base rate of the plan most-favored by Lifeline customers or losing out on Universal Service high-cost support. Frontier explained the need to be able to average the revenue per line of all of its plans when calculating both the rate floor, and also in the future when it certifies that its highest calling plan is within two standard deviations of the national average urban rate (the "rate comparability" benchmark).

Frontier used maps to demonstrate the calling areas of each of its four calling plans available in West Virginia. Frontier also provided a proposed edit to the Commission's rules that would allow for the requested relief.

Pursuant to Section 1.1206(b) of the Commission's rules, 47 C.F.R. §1.1206(b), this letter is being filed electronically with your office today.

Please feel free to contact me with any further questions.

Sincerely,

Michael Saperstein Jr

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cc: Christine Kurth